

**From:** jlindsey@firststatebank.com on 04/19/2004 06:20:07 PM  
**Subject:** Economic Growth and Regulatory Paperwork Reduction Act of 1996 Review

Gentlemen:

I would offer the following comments on your request for ideas about regulatory relief.

1. On each regulation it should be determined if the consumer is truly benefiting from the regulation. We know the banks are not receiving any benefit.
2. On each regulation it should be determined if the regulators can explain the regulation to the bankers - and all of the updated remarks.
3. The total consumer benefit should be compared to the total cost of compliance.

When the consumers do not understand the documents why should they receive the documents?

When different regulators can not agree on what the regulations mean how can the banks comply?

It is unrealistic to believe that anyone can protect everyone from their stupid mistakes. If the lender wants to mistreat or cheat the customer, the customer will probably be mistreated or cheated irregardless of the regulation.

All lenders should have the same burden of compliance with consumer regulations. Why should a small bank be subjected to a week long examination when, proportionally, big banks do not have the same burden. Why do some lenders not have any compliance examinations.

Bankers do understand that regulators are trying to enforce congressional mandates. Why don't the various regulators, as a group, explain these facts to congress?

My bank spends a tremendous amount of time, money and effort on our compliance programs. We receive high marks on our compliance exams. Our customers would not be treated any differently without most of these regulations and would probably not be charged as much interest.

An entire industry has been built on compliance. We have separate examiners that are compliance specialists. We have compliance officers. Many compliance advisors and auditors are doing well. We have software vendors that specialize in compliance programs. The consumers pay for these industries in the long run.

Any regulatory relief would be welcomed.

Sincerely,  
James D. Lindsey  
COB, President & CEO  
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